

Senator Cicarella, Senator Maroney, Representative D'Agostino, Representative Rutigliano and Honorable Members of the General Law Committee, I appreciate you reading and listening to the voices of the public within the cannabis market like me, which have a career in the current market which certain changes may affect.

I'm testifying today on behalf of myself, my family, my colleagues, the many diverse individuals we employ within our cannabis businesses. Our heart, passion and sweat are put into the business endeavors we participate in and the protection of everyone involved and their families safe being and welfare is our utmost priority.

We believe in the mission the DCP, State Senators, State Representatives and alike have driven for many years but we are concerned about the future of our cannabis industry. The current framework for the Connecticut cannabis industry is only so strong and neighboring markets are great examples of moving too fast or being over ambitious. I love Connecticut and I am proud of my state and what it has and will accomplish, I want to see us continuing in the right direction with the Cannabis industry. The operators and individuals within the current market understand the necessity for the market to remain conservative. This new emerging Adult-Use market needs time to develop and become successful. The capital required to gain and deploy, the planning, construction and so on are all difficult in the current economy in general but when you add the "green aspect" of cannabis the banking is more difficult, the construction is more difficult and every cost is higher.

To preserve the market and allow it to mature we must be conscious of the time it will take to see who is successful and be OK and aware of the challenges. Only after the market reaches some maturity we can gauge additional licensure. This requires being patient and preserving while considering what's too fast and what's too slow. So I urge you to consider setting some milestones to allow the market to mature at a pace that it deserves and not allow the wants of individuals to sway us to over saturation or a lack of ability to sustain. Remember a successful market means a successful tax base and a successful public awareness and safety program to keep our products of great quality and to keep our supply of medicine as a priority. This is only fair to the current licensed, provisionally licensed individuals and the social equity individuals which already were awarded, paid fees, invested in and developed methods and so on. ,

***Bill 6697 -- Support with remedies***

- It's important that we maintain the structure, rules and abilities of each license type previously awarded.

1. Maintain verbiage restricting EJV and DIA Cultivators/section 149 license holders with a common backer regardless of corporate ownership structure to maintain a 20 mile distance between adult-use, medical and hybrid retail locations.

2. Add verbiage or declare a DIA Cultivators/section 149 license holder's ability to receive a final license for an EJV adult-use or hybrid retail facility with some proposed requirements for responsible operators which in good faith can prove their cultivation facility will become operational such as:

- required bond, lien or other securing mechanism

OR

- required timeline to be met for having their cultivation facility operational

3. Product packager verbiage added does change the spirit of the supply chain. The product packager license is designed as a 3<sup>rd</sup> party packaging function not as an entity that can buy, test, transport and brand their own product. The current verbiage should be maintained and the product should be tested prior to leaving the licensed cultivator or manufacturer to manufacture, test and transport their products to the 3<sup>rd</sup> party packager if they choose. If the proposed changes are made it would not be in the original purpose and would be directly creating an additional competitor that the current licensed entities did not previously have. This would directly take value from all other license types and from their social equity partners.

4. Section 149 licenses must be held to their legal attestation to pay their 3-million-dollar fee within a timeline versus an open time period to pay whenever. 11 companies have completed their duty and 30 have not and should not have an open calendar. Rules have changed and it is unfair to operators who attested to a certain standard and completed our obligations.

5. If medical dispensaries do not convert to hybrid and do not pay their \$500,000 conversion fee, it should be made clear they cannot receive an equity joint venture license. The law here is unclear and not written and must be codified.

6. 14 month timeline to become a final license, while some operators are waiting to pay their provisional fees to delay the start of their 14 month timeline others have committed. The DIA Cultivators/section 149 license holders specifically were told previously they would need to meet a very short deadline. Some awarded licensees paid and others didn't, then the DCP removed the timeline requirement.

- I propose a one time 6 month extension for the licensees that were forced to pay their \$3M fee and are now facing a possibly impossible timeline.

- Have requirements in place to meet to approve the 6 month extension only in vetted and reasonable cases.

#### ***Bill 6699 -- Support with remedies***

Forcing companies to use a specific labor union is against all spirit of open choice for both businesses and employees. Entities have completed all requirements properly and because a singular union, who has not seen an employee in this industry unionize, is unhappy, should not trigger important and impactful change towards employees.

- There is no current substantial history or structure to the proposed unions which puts operators at tremendous risk of being unsuccessful. There should be very specific care and criteria required before deploying this requirement.

#### ***Bill 6700 -- Oppose***

Hemp farmers in Connecticut had the opportunity to apply for a DIA cultivator license or other licensing pathways like everyone else. There should be no special treatment that would take away from social equity applicants and the program.

- Hemp is a completely different industry and should be treated as such. A majority of hemp derived products are not used for medical or recreational use. The spirit of the hemp industry was to supply manufacturers with textiles for rope, sails, furniture, etc.
- This possible action of priority treatment would directly affect the licenses already in operation or awarded in the cannabis market to be unsuccessful.
- If individuals in the hemp industry want to participate in the cannabis market they were provided an opportunity to simultaneously operate or to close their facilities and put on the work to apply for a license in the licensing pathways provided.

Thank you,

Andrew Simonow